

IRS AND MONTANA TO TEST SINGLE POINT FILING

WASHINGTON -- The Internal Revenue Service and the Montana Department of Revenue will test single point filing with a small group of employers by combining into one tax return the information now contained in the IRS employment tax return (Form 941), the Montana withholding return and the Montana unemployment insurance return.

IRS Commissioner Charles O. Rossotti and the Director of the Montana Department of Revenue, Mary Bryson, recently signed an agreement to conduct this demonstration project test. The five-year demonstration project to test the feasibility of combined quarterly employment tax returns with Montana was authorized by the Taxpayer Relief Act of 1997.

Under the plan, certain employers, most of which are small businesses, will file one tax form that Montana will process and then send the extracted federal data electronically to IRS. "This is a starting point to meet our joint mission as tax administrators to reduce employer burden while improving the efficiency and effectiveness of government operations. It is the kind of service that we want to provide to American taxpayers because it is the kind of service they deserve," said Commissioner Rossotti.

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The single point filing concept that will be tested falls under the umbrella of the Simplified Tax and Wage Reporting System (STAWRS). STAWRS is a multi-agency project of the Treasury Department, the IRS, the Department of Labor and the Social Security Administration. President Clinton endorsed the project in a June 9, 1995 ceremony at the Treasury Department.

Other STAWRS initiatives include those in the areas of streamlined customer service, simplified requirements as well as additional initiatives in the single point filing area. STAWRS has also been endorsed by Vice President Gore's National Performance Review.

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